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THE ALBERTA GOVERNMENT'S RECORD

And a Reply to Its Critics

Let us first of all clearly understand that Canada is not a federation of nine different nations, each with its own customs tariff and sovereign power to deal with matters of finance, currency and credit. The Province of Alberta is just one section of an economic unit known as the Dominion of Canada, in which the only power to make trade treaties, to impose import and export taxes, to control finance and banking and to regulate the issue of currency and credit rests solely with the Dominion government.

The power conferred upon a Provincial government is to provide for its people public health services, educational services, agricultural services, administration of justice, roads, bridges and other public works and such social services as the people are prepared to support through provincial taxation.

In reviewing the record of the government, the following questions may very properly be submitted for consideration by the electors:

1. Has the government been reasonably successful in dealing with any special or abnormal problems which it has had to face?
2. Has it been progressive in its legislative and administrative policies?
3. Has it shown due regard to the necessity for rigid economy on behalf of the taxpayer consistent with the maintenance of the essential services of government demanded by the electors?

The answers to these questions can be found in the record of the government, which is presented in brief and concise form in the following paragraphs:

Railways

1. The present government consummated a deal for the sale of our Railways on terms that exceeded by several million dollars offers that were acceptable to political parties opposed to the government.

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Natural Resources

2. It concluded a deal with the Dominion Government for taking control of the Natural Resources within Alberta for the people of the province, the arrangement going into effect in October, 1930, after several years of negotiations. It has, with Saskatchewan, pressed the case for further allowance from the Dominion Government for alienated lands, whereby Alberta was awarded this year over \$6,000,000.

Civil Service

3. It inaugurated a superannuation scheme for the civil service, and placed the entire service on a sound non-partisan basis, resulting in greatly increased efficiency in public administration. In spite of added departmental organization necessitated by the assumption of the control of the natural resources and by the development of the various relief organizations, the number of permanent employees in the government service as in August, 1934, was 251 less than was the case under the Liberal administration in 1921.

Agriculture

4. It has initiated sound agricultural policies to improve the status of the man on the land, and the quality of his product, in order that he might be in a position to obtain the highest possible prices. Today and in recent years, Alberta has held a high position in the agricultural world through the outstanding achievements of Alberta exhibitors at the world's leading grain and live stock exhibitions. During the past thirteen years, Alberta has taken a total of 2,770 prizes with nearly 150 championships, at the international agricultural shows at Toronto and Chicago. It has inaugurated and extended the system of district agriculturists, and of junior farm clubs, which have done much to bring Alberta agriculture to its present high position.

Highways

5. It instituted the first planned program of highway construction freed from the party patronage system. When the Liberal regime retired from power in 1921, there was no highway program in existence, and only seventeen miles of gravelled road had been built. At the beginning of 1935, as a result of the policy of highway construction initiated by the U.F.A. government, there were more than 2,000 miles of main all-weather highways, and many more miles of standard grade earth highway, as well as 70 miles of hard surface road, a system serving not only a large section of rural Alberta with substantial market roads, but connecting all the main centres of the province. With the extension, as rapidly as funds will permit, of the Peace River highway and the Cold Lake highway serving the north-east portion of the Province, Alberta's highway program will be well on the way to completion.

The miles of standard grade highways at January, 1935, totalled 2,819 miles, of which 2,113 miles are gravelled. The total expenditures on highways for maintenance and debt charges alone since 1905 have been \$34,583,000, while the total tax collected from motor license fees and gasoline tax in the same period has been \$32,251,000, so that the charge often made by the opposition that the taxes collected from motor vehicles are much less than the amounts spent on highways, is disproved.

Education

6. It has put into effect a system of equalization grants to aid financially weak rural school districts. The total grants given for education in 1933-34 were \$1,525,632, compared with \$1,188,903 in 1921. The number of schools operating over eight months was 3,339 in 1932-33 compared with only 1,963 in 1921, and the number of pupils in attendance more than eight months had increased under the present government to almost double the number at the close of the Liberal regime in 1921. The expenditures for the vital services of education by the present government were \$2,452,000 in 1934 compared with \$1,296,000 in 1918.

Public Health

7. It has put into operation an advanced program of public health services for the people, including travelling clinics, extension of district and public health nursing service, health education, etc. Has introduced legislation providing for the inauguration of a state plan for medical services based on recommendations of the joint legislative committee. For the provision of the all-important public health services to the people, this government in 1934 expended \$1,550,000, compared with an amount of only \$212,000 spent by the former Liberal regime in 1918.

Social Services

8. It has developed many social services to meet the economic needs of our people, such as Old Age Pensions, Mothers' Allowances, Relief Projects, etc. In the financial year ending March 31, 1934, the total expenditures, including grants from other governments for Old Age Pensions amounted to \$1,286,000 and for Mothers' Allowances \$440,000.

Controlling Sale of Shares

9. It has passed legislation controlling the issue and sale of shares of Alberta registered companies so as to protect the people of Alberta against the evils of fraudulent stock selling practices all too common in Canada. It has also vigorously urged the federal government to pass similar legislation controlling Dominion registered companies. Had this been done, the people of Canada might have been protected from much of the exploitation so glaringly revealed through the Ottawa price spreads (Stevens) commission.

Consolidation of Taxes

10. It has changed the policy of selling land to recover unpaid taxes by providing a system of consolidating arrears of taxes, thus permitting farmers to retain possession of their farms.

Economic Security for our Basic Industry

11. It was the first government in Canada to pass debt adjustment legislation, and has gone farther than any other government in Canada to provide economic security for the farmers and to aid them in securing seed grain to put in their crops and feed for their live stock in areas where crops had been a failure due to climatic conditions.

The Debt Adjustment legislation and the Agricultural Stabilization legislation passed by the present farmers' government provides that the man on the land, out of the proceeds of his farming operations, shall be entitled to food, shelter, clothing, medical attendance and the wherewithal to carry on his farming operations, before any creditor is entitled to take legal action for the recovery of any debt incurred prior to July 1st, 1932. This means keeping more purchasing power in Alberta communities which helps not only the farmer but the local merchant, doctor, blacksmith, implement dealer and all who supply goods and services to maintain the normal operation of our great wealth-producing industry—Agriculture.

The Homesteader

12. The present government has removed the \$40.00 fee formerly required to secure a title to a homestead and through relief work of various kinds, has done much to relieve the economic burden borne by our homesteaders in newly settled areas.

Unemployment and Direct Relief

13. It has carried the largest share of the cost of unemployment and direct relief. For the period October 4th, 1930, to December 31st, 1934, the total expenditure for unemployment works and direct relief amount to \$20,837,173.46, apportioned as follows:

Dominion government, \$7,771,739.51; Provincial government, \$8,654,670.78; Municipalities, \$4,410,763.17. In addition, over \$2,400,000 have been expended by the Province for agricultural relief during the same period; and of this sum, over \$1,400,000 represents advances for seed and fodder.

Reduction of Private Debts

14. It has urged during the years of the depression for amendments to the Bankruptcy Law of Canada, so that debts might be adjusted on a proper basis. This legislation, known as the Farmer Debtor Creditor Arrangement Act was passed at the 1934 session of the Canadian Parliament.

Co-operative Activities

15. It has passed legislation to develop and promote co-operative enterprises and has given financial assistance to co-operative organizations with a view to securing greater financial returns to primary producers. The guarantee given to the Alberta Wheat Pool has saved a ten million dollar investment for our wheat growers, while the guarantees given to the Dairy Pool Associations have been reduced from \$431,000 to \$255,000.

National Wheat Board

16. It has advocated a National Wheat Board to handle the Canadian wheat crop during the period of the present depression, believing this to be the best method of protecting the interests of the wheat grower.

Marketing Legislation

17. It has urged the passing of Marketing Legislation by the Federal government providing for marketing boards that will efficiently handle the marketing of Canadian farm products, through the elimination of much of the present duplication and costly competition that have so disastrously affected the prices of all farm products in Canada. This legislation was passed at the 1934 session of the Canadian Parliament.

Monetary Reform

18. It has been far in the lead of any government in Canada in investigating monetary reform proposals, and has advocated monetary reform calling for—

- (a) the public control of the issue of currency and credit through a publicly owned central bank;
- (b) a reduction of interest rates on bank deposits and other sound measures to secure a general reduction of all interest rates;
- (c) controlled currency inflation for the purpose of restoring price levels to the proper relationship with our debt structure.

Interest Rates

19. It has, through the last sale of Alberta bonds made in December, 1934, secured the lowest interest rate in twenty-five years on Alberta long term borrowings, namely, 4.36½%. During the last year of the Liberal administration (1921) long term money cost the province 6.20% in interest. Alberta has also an enviable record in municipal finance, since the percentage of defaults in municipal debentures in Alberta has been only one-half of one per cent, compared with Ontario's 19½ per cent, Manitoba's 13 per cent and B.C.'s and Saskatchewan's 8½ per cent. This is a complete answer to those government critics who claim that the administrative policy of the farmers' government has destroyed the credit of the province. (See Statement No. 22 Public Accounts, 1934).

Refunding Debt

20. It has submitted a sound plan for the refunding of our public debt which with the co-operation of the Federal government, would reduce our annual interest charges by over two million dollars.

Taxation

21. It has, through the income tax, adopted the principle of taxation based on ability to pay, which progressively increases the tax rate on the higher incomes in the province. Revenue from Real and Personal property taxes is nearly one million dollars less today than in 1921.

Economy in Administration

22. It has administered the affairs of the Province in the interests of the taxpayers through consolidating and reorganizing the various departments of government with the result that in spite of over a million dollars of new public services, the net controllable expenditure on public services for the fiscal year ending March 31, 1934, was lower than during the year 1921.

	1921	1934
Net controllable expenditure.....	\$8,378,226	\$8,334,903
Per capita net controllable expenditure.....	\$14.23	\$10.87

(See Statement No. 24, Public Accounts, 1934)

THE GOVERNMENT'S FINANCIAL RECORD

Critics of the U.F.A. administration make their public appeal against the present Government's financial record on the following three main charges:

1. The Government has increased the Public Debt since 1921 in a most unwarranted manner.
2. The Government is guilty of reckless extravagance and wasteful expenditure of public money.
3. The Government has placed a burden of increased taxation on the people that is unbearable.

These sweeping general statements prove absolutely nothing unless they are supported by facts showing in detail, where the public debt should not have been increased, where in detail ordinary expenditures should not have been made and where in detail taxes have been unduly increased.

We ask the public to examine the facts regarding the financial record of the present government and then decide for themselves whether or not there is any foundation for these criticisms.

PUBLIC DEBT

The total debt of the Province (funded, unfunded and indirect) has increased since 1921 by \$61,623,000. Is this increase justified or not? We ask the people to analyze it and then decide for themselves.

By far the largest item of this increase, namely 40% is for highway purposes. While people are demanding more roads and bridges there can be no criticism of this item. The telephone and irrigation problems were inherited from the previous administration. After completing the projects under consideration when the government came into office, very little has been added to the public debt for these purposes. The largest item for public buildings, namely, about three and a half million dollars, is in connection with mental institutions. Other large items include the technical institute and the Administration building. In addition to these, many other additions have been required to meet the needs of the Province.

Today we hear very little criticism of those items that come under loans, guarantees, unemployment and agricultural relief. Advances to income account are not due to over expenditures but are caused by tremendous decreases in all sources of revenue in recent years.

The following statement gives a complete analysis of the increases in Public Debt since 1921:

COMPARATIVE STATEMENT OF PUBLIC DEBT

	December 31, 1921	March 31, 1934	Increase
Net funded debt.....	\$57,464,000	\$132,143,000	
Net unfunded debt.....	4,201,000	12,406,000	
Net indirect debt.....	30,408,000	9,147,000	
	<u>\$92,073,000</u>	<u>\$153,696,000</u>	<u>\$61,623,000</u>

(See Statement No. 26, Public Accounts, 1934)

DETAILS OF PUBLIC DEBT INCREASES

	December 31, 1921	March 31, 1934	Increase
Telephones	\$20,186,000	\$ 26,397,000	\$ 6,211,000
Roads, bridges and ferries.....	9,316,000	33,595,000	24,279,000
Public buildings and University.....	14,257,000	22,609,000	8,352,000
Irrigation and drainage districts.....	5,987,000	11,318,000	5,331,000
Loans and guarantees—			
Wheat Pool		5,416,000	5,416,000
Co-operative Credit Societies.....		1,884,000	1,884,000
Cities, M.D.'s and S.D.'s.....	248,000	1,982,000	1,734,000
Miscellaneous loans and guarantees	8,402,000	8,519,000	117,000
Unemployment and Agriculture Relief		5,783,000	5,783,000
Miscellaneous	4,214,000	9,358,000	5,144,000
Advances to Income Account.....	5,010,000	18,092,000	13,082,000
	<u>\$67,620,000</u>	<u>\$144,953,000</u>	<u>\$77,333,000</u>
Decreases—			
Railways	26,729,000	17,021,000	9,708,000
Gross Total	<u>\$94,349,000</u>	<u>\$161,974,000</u>	<u>\$67,625,000</u>
Deduct: Sinking Funds, etc.....	2,276,000	8,278,000	6,002,000
Net Total	<u>\$92,073,000</u>	<u>\$153,696,000</u>	<u>\$61,623,000</u>

This itemized statement accounts for the increase in our Public Debt since 1921. The Government has repeatedly challenged its critics to show by specific items the amounts that should not have been added to our Public Debt. Until they do this they have no right to condemn the Government merely because the Public Debt is greater today than it was in 1921. The Government's appeal to the public is to investigate the facts.

Our total provincial debt has not been unduly increased in the light of the problems and conditions facing the Government during the past fourteen years. When government critics denounce our increase in debt, it will be well for the public to remember that members of opposition parties in the Legislature have in recent years advocated expenditures which had they been granted would have meant a very much larger increase in our Public Debt.

INTEREST CHARGES

Government critics make much of the fact that the public accounts show that debt charges have trebled since 1921. This statement is misleading due to the fact that the former liberal government charged a large part of the interest burden to capital account which should have been charged against revenue account.

The following statement shows that the interest burden chargeable to the public debt of 1921 was really \$3,639,000 instead of \$1,940,000.

PROVINCE OF ALBERTA COMPARATIVE STATEMENT OF DEBT CHARGES

	1921 Actual	1928-34 Actual	Increase
Interest, etc.	\$1,803,000	\$6,199,000	\$4,396,000
Sinking Funds	137,000	744,000	607,000
Total.....	\$1,940,000	\$6,943,000	\$5,003,000
Corrections for purposes of comparison—			
Interest on University debentures not charged to Public Debt in 1921.....	\$ 163,000		
Interest on Railway Guarantees charged to capital in 1921.....	773,000		
Interest on seed grain and relief charged to capital in 1921.....	82,000		
Interest on Cow Bill loans charged to capital in 1921.....	84,000		
Interest and sinking fund charges paid in 1922 on capital borrowings in 1921, not including telephones.....	734,000		
Additional charges.....	\$1,836,000		
Total.....	\$3,776,000	\$6,943,000	\$3,167,000
Less Sinking Fund.....	137,000	744,000	607,000
	<u>\$3,639,000</u>	<u>\$6,199,000</u>	<u>\$2,560,000</u>

ORDINARY EXPENDITURES

For the year ending March 31, 1934, the net ordinary expenditures on public services, exclusive of debt charges, were \$43,000 less than in 1921. This one fact alone is a complete answer to Mr. Howson's and Mr. Duggan's charges of the wasteful extravagant expenditure of public money by the present administration.

This saving in the cost of government is made in spite of an increase of two million dollars in the essential services of public health, education, maintenance of highways, etc., and an added expenditure of over a million dollars for new services that did not exist in 1921. This remarkable accomplishment in the interest of Alberta taxpayers has been attained through the reorganization of the various departments of government and the elimination of the waste and extravagance that is bound to exist under the party patronage system of government.

Offsetting the above mentioned increases, reductions in departmental expenditures since 1921 reach the enormous sum of \$3,222,000. Is it any wonder that Mr. Howson promises to reorganize every department of government should he be given the opportunity of bringing back the party patronage system of government in Alberta?

The following statement gives a complete picture of how this record of efficient administration of public services has been attained by the present government:

PROVINCE OF ALBERTA

COMPARATIVE STATEMENT OF ORDINARY EXPENDITURE

Years 1921 and 1933-34

Gross expenditure, December 31, 1921.....	\$10,605,000	
Less: Debt charges.....	1,940,000	
Gross controllable expenditure.....	\$ 8,665,000	
Less: Refunds Dominion Government, etc.....	287,000	
NET CONTROLLABLE EXPENDITURE, 1921.....		8,378,000
Gross expenditure March 31, 1934.....	\$17,057,000	
Less: Debt charges.....	6,944,000	
Gross controllable expenditure.....	\$10,113,000	
Less: Refunds Dominion Government, etc.....	1,778,000	
NET CONTROLLABLE EXPENDITURE, 1933-34.....		\$8,335,000
Decrease in net controllable expenditure.....		<u>\$ 43,000</u>

(See Statement No. 24, Public Accounts, 1934)

ANALYSIS OF NET CONTROLLABLE EXPENDITURE

Year ending December 31, 1921.....	\$8,378,000	
Year ending March 31, 1934.....	8,335,000	
Decrease.....	\$ 43,000	
Analysis—		
Total increases and new services.....		\$3,179,000
Less Departmental decreases.....		3,222,000
Net decrease.....		\$ 43,000
INCREASES OLD SERVICES—		
Maintenance of main highways.....	\$ 518,000	
Public Health—		
Hospital Grants	\$135,000	
Mental Hospitals	114,000	
Central Alberta Sanatorium	114,000	
	363,000	
School Grants	337,000	
Maintenance Public Buildings and Institutions.....	302,000	
Mothers' Allowances	148,000	
Miscellaneous	331,000	
	1,999,000	
NEW SERVICES—		
Lands and Mines Department.....	\$ 359,000	
Old Age Pensions.....	280,000	
Agricultural Relief Administration.....	134,000	
Superannuation Act	97,000	
Debt Adjustment Act.....	64,000	
Income Tax Branch.....	51,000	
Miscellaneous	195,000	
	1,180,000	
Total Increases and New Services.....		\$3,179,000
LESS DEPARTMENTAL DECREASES—		
Public Works.....	\$749,000	
Attorney General.....	713,000	
Agriculture	448,000	
Education	275,000	
Executive Council.....	272,000	
Municipal Affairs.....	224,000	
Public Health.....	82,000	
Treasury	68,000	
Legislation	40,000	
Lands and Mines.....	9,000	
Railways and Water Resources.....	6,000	
Services discontinued.....	45,000	
Civil Service Salary Reductions.....	265,000	
Total decreases.....	\$3,222,000	
Net decrease.....		\$ 43,000

ECONOMIES SINCE LAST ELECTION

Since the last election in 1930, the present government has reduced the net controllable expenditure for administration costs by nearly \$3,000,000.

	1930-31	1933-34
Total Expenditures.....	\$18,017,000	\$17,057,000
Less Debt Charges	5,782,000	6,943,000
Controllable Expenditure.....	12,235,000	10,113,000
Less Refunds, etc.....	973,000	1,778,000
Net Controllable Expenditure.....	11,262,000	8,335,000
Reduction		\$ 2,927,000

(See statement No. 24, Public Accounts, 1934)

VITAL SERVICES FULLY MAINTAINED

These economies have not been made at the expense of Education and Public Health as some of our opponents have claimed. We are today spending more money on vital services than in the peak year of good times in 1928-29.

Expenditures—	March 31, 1929	March 31, 1934	Increase
Hospital Grants.....	\$ 427,000	\$ 443,000	\$ 16,000
Mothers' Allowances	364,000	440,000	76,000
Care of Mentally Diseased.....	648,000	815,000	167,000
School Grants.....	1,364,000	1,526,000	162,000
Old Age Pensions.....		1,286,000	1,286,000
Lands and Mines Department.....		462,000	462,000

REVENUE AND TAXATION

Critics of the government have had much to say about the increase in the tax burden in Alberta since 1921. Such critics fail utterly, however, to prove their argument because increased revenue derived through increased business is not in any sense increasing the tax burden on the average Alberta taxpayer.

For example, auto licenses provide nearly a million dollars more revenue today than in 1921, yet the individual motorist pays less today than he did in 1921 for his auto license. Real and personal property taxes paid by landowners are \$943,000 less today than in 1921. Gasoline tax is as low in Alberta as in any western province.

An examination of the following statement will show how much of our increased revenue comes from our natural resources, interest from various loans and advances, profits from the government operation of the liquor business and how little is a direct burden on the average taxpayer.

PROVINCE OF ALBERTA
COMPARATIVE STATEMENT OF NET REVENUE

Years 1921 and 1933-34

Year ending March 31, 1934.....	\$13,747,000
Year ending December 31, 1921.....	8,276,000
Total Increase in Revenue.....	<u>\$ 5,471,000</u>

ANALYSIS OF INCREASE IN REVENUE

INCREASES OLD SOURCES—

Auto Licenses	\$ 949,000
Corporation Tax	314,000
Railway Mileage Tax.....	192,000
	<u>\$ 1,455,000</u>

NEW SOURCES OF REVENUE—

Gasoline Tax	\$1,724,000
Interest Income	1,076,000
Liquor Profits	1,000,000
Natural Resources	781,000
Income Tax	492,000
Civil Service Salary Contributions.....	265,000
Miscellaneous	158,000
	<u>5,496,000</u>

DECREASES—

Real and Personal Property Taxes.....	\$ 943,000
Fines, Fees and Penalties.....	279,000
Miscellaneous	258,000
	<u>1,480,000</u>

Increase in Revenue.....	<u>\$5,471,000</u>
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NOTE INTEREST INCOME—

Wheat Pool	\$ 416,000
Northern Alberta Railways.....	423,000
City Loans	51,000
Miscellaneous Investments	186,000
	<u>\$1,076,000</u>

SOME COMPARISONS

EDUCATION

	1921-22	1932-33	Increase
Number of schools operating over eight months	1,963	3,339	1,376 70.1%
Number of pupils in attendance more than eight months.....	64,193	121,752	57,559 89.7%
Cost of operating schools.....	\$8,753,440	\$10,134,592	\$1,381,152 15.8%
Government Grants	\$1,109,142	\$ 1,446,868	\$ 337,726 30.4%
Per cent grants to total costs.....	12.7%	14.3%	

PUBLIC HEALTH			
	1921	1984	Increase
Population Mental Institutes.....	907	2045	1138
Number of Approved Hospitals.....	59	86	27

HIGHWAYS			
	1921	1984	
Miles of standard grade highways.....	Nil		2819
Miles of gravelled highways.....	17		2113

REVENUE FROM MOTORISTS 1905 TO 1934 INCLUSIVE

License fees	\$20,218,000
Gasoline Tax	12,033,000
Total.....	\$32,251,000

HIGHWAY EXPENDITURES 1905 TO 1934 INCLUSIVE

Maintenance of Highways.....	\$16,365,000
Interest and Sinking Fund.....	18,218,000
Total.....	\$34,583,000

COST OF ELECTIONS

Liberal Government in 1921.....	\$252,800
U.F.A. Government in 1930.....	155,864
Reduction in cost.....	\$ 96,936

NUMBER OF PERMANENT EMPLOYEES IN CIVIL SERVICE

Liberal Government, August, 1921.....	2,561
U.F.A. Government, August, 1934.....	2,310
Reduction.....	251

EXPENDITURES FOR PRINTING AND STATIONERY

Liberal Government, 1921.....	\$510,521
U.F.A. Government, 1934.....	145,427
Reduction.....	\$365,094

TRAVELLING EXPENSES

Liberal Government, 1920.....	\$440,199
U.F.A. Government, 1934.....	317,976
Reduction.....	\$122,223

CABINET MINISTERS' TRAVELLING EXPENSES

Liberal Government, 1920.....	\$ 15,070
U.F.A. Government, 1934.....	4,596
Reduction.....	\$ 10,474

SOMETHING TO REMEMBER

When the Liberals denounce the present administration as a government that has forgotten the taxpayers, we would remind the people of Alberta that fourteen years ago they had a Liberal Government that spent over \$1,500 more per day than the present government is spending on the four items of advertising, printing, stationery and travelling expenses.

CURRENT ESTIMATED EXPENDITURES

The government has been criticized for increasing its estimated expenditures for the year ending March 31, 1936. Here are the main increases. We leave it to the electors to decide whether or not these increases are warranted:

INCOME ACCOUNT—

Election	\$150,000
Grants to Schools.....	60,000
Free School Textbooks.....	50,000
Powlett Case	28,000
Opening Vermilion School of Agriculture.....	39,000
District Agriculturists and Weed Control.....	23,000
Public Health Institutions and Services.....	70,000
Old Age Pensions.....	68,000

CAPITAL ACCOUNT—

Highways—Construction	\$ 800,000
Highways—Grants	300,000
Bridges Construction	100,000
Addition Public Health Institutions.....	250,000

The cost of Unemployment and Agricultural Relief for the current year is estimated at \$2,139,000.

ANSWER TO CLASS GOVERNMENT

Much of the criticism of those opposed to the Government has been directed against the Government's policy of assisting farmers. This has been the argument used to label the Government as a class government serving the interests of farmers only. Opponents of the Government who use this argument fail to take into consideration the very important fact that the Province has contributed more in grants to the coal industry, manufacturers' movements and Made-in-Alberta Exhibitions, than has been lost in guarantees to farmers' co-operative activities. They also overlook the fact that the assistance given to co-operative enterprises by the Government, for the purpose of increasing the financial returns of the farmers of Alberta, is really in the interests of the Province as a whole, for without purchasing power in the agricultural industry, no other class of people in Alberta can prosper.

CAUSE OF DEFICITS

The government has been criticized for the heavy deficits of the past few years. It has been charged with careless budgeting and over-expenditure of public money.

Here are the facts. From 1922 to 1934 the total actual expenditures made by the government on revenue account have exceeded the total amount of the estimated expenditures passed by the Legislature from year to year by less than \$36,000. No government could be more accurate

than the present Alberta government has been in budgetting for its annual expenditures on revenue account.

The deficits have been caused by a drastic shrinkage in practically every source of revenue. No government has been able to avoid huge deficits during the past four years. The following statement shows how Alberta compares with its neighbor provinces with respect to deficits:

	Saskatchewan	Alberta	British Columbia
Deficit 1931	\$3,857,000	\$2,307,000	\$4,819,000
Deficit 1932	5,820,000	5,153,000	7,052,000
Deficit 1933	579,000	2,108,000	2,837,000
Deficit 1934	1,394,000	1,878,000	374,000
Total.....	<u>\$11,650,000</u>	<u>\$11,445,000</u>	<u>\$15,082,000</u>
Less sinking funds.....	423,000	2,456,000	4,039,000
TOTAL DEFICITS (net).....	<u>\$11,227,000</u>	<u>\$ 8,989,000</u>	<u>\$11,043,000</u>

EFFECT OF ECONOMIC CONDITIONS

The utterances of some of our political opponents would indicate that they deliberately ignore the fact that the serious economic condition under which our people are suffering today has a direct bearing on the financial situation facing the Government. The economic depression through which we are passing calls for public expenditures that are not required in years when our people are in more favorable financial circumstances. It is also a period when every source of provincial revenue is declining. For example the following six sources of provincial revenue show a total decrease of over \$3,000,000 in the past four years:

	Actual 1929-30	Actual 1933-34	Decrease
Liquor Act	\$2,597,000	\$1,251,000	\$1,346,000
Auto Licenses.....	2,023,000	1,668,000	355,000
Succession Duties	897,000	257,000	640,000
Amusement Tax	257,000	116,000	141,000
Supplementary Revenue Tax.....	1,019,000	786,000	233,000
Unearned Increment Tax.....	467,000	10,000	457,000
	<u>\$7,260,000</u>	<u>\$4,088,000</u>	<u>\$3,172,000</u>

BALANCING THE BUDGET

Balancing the budget will not be a difficult problem once purchasing power is restored to our basic industry. This, however, cannot be done by provincial action alone; it requires both national action and international co-operation. After all agriculture is our basic industry, when it is prosperous provincial revenues increase, when it is languish-

ing provincial revenues decline. This statement is amply verified by the fact that the only years Alberta has had balanced budgets have been those years when we have had 100 million dollar wheat crops.

	Value of Wheat Crop	Provincial Finances Surplus	Deficit
1920	\$127,000,000	\$402,000*
1921	41,000,000	.....	\$2,118,000
1922	51,000,000	.....	1,910,000
1923	94,000,000	.....	572,000
1924	74,000,000	.....	621,000
1925	115,000,000	188,000	.....
1926	119,000,000	18,000	.....
1927	168,000,000	280,000	.....
1928	117,000,000	1,579,000	.....
1929	103,000,000	427,000	.....
1930	52,000,000	.....	2,307,000
1931	51,000,000	.....	5,153,000
1932	55,000,000	.....	2,108,000
1933	46,000,000	.....	1,878,000

CONCLUSION

When you are considering the enticing and extravagant election promises being made in the present political campaign, please remember the recent results in some other provinces where the failure of governments to carry out their election pledges due to limited provincial jurisdiction has resulted in such bitter disappointment to the people.

In actual results, not in promises, the present Alberta government has protected the debtor farmer and has passed more progressive legislation in the real interests of the people than any other provincial government in Canada. It has no apology to make for its legislative and administrative record and appeals for the support of all Alberta citizens on the ground that it has given good government to the people of Alberta during a period when radical measures were required to meet drastic changes in our economic situation.

Since 1921 Alberta has had an independent provincial government, free from the influence of the secret campaign fund and its twin sister, the party patronage system of government. It has had a government that has at all times advanced the interests and upheld the rights of the people of Alberta. On election day work and vote to retain progressive government in power in Alberta by electing to the legislature supporters of the farmers' government.

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